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REAGAN RETRACTS GATES NOMINATION TO HEAD THE C.I.A.

By GERALD M. BOYD

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WASHINGTON, March 2 — President Reagan today withdrew his nomination of Robert M. Gates to be Director of Central Intelligence, sparing the Administration a potentially protracted confirmation struggle in the Senate that would serve as a constant reminder of the Iran-contra affair.

The unusual move was a pointed indication that Mr. Reagan was steering his Administration away from any possible difficulties related to the crisis, the most severe of his Presidency.

Mr. Gates's withdrawal was announced by Howard H. Baker Jr., the new White House chief of staff, who also said Mr. Reagan would deliver a nationally broadcast address at 9 P.M. on Wednesday, in which he will make his first detailed response to the criticism in a report by a special commission on the Iran-contra affair.

Short List Prepared

At the same time, the White House also appeared to drop its defensive posture of recent weeks by having Mr. Baker appear before reporters and answer questions.

White House and Administration sources said a short list of new candidates had been prepared and that Mr. Reagan could name a replacement as early as Tuesday.

Among the leading contenders are former Senator John G. Tower, a Texas Republican, and Brent Scowcroft, a former Air Force general. Mr. Tower was chairman and Mr. Scowcroft served on the three-member Presidential panel that reported last Thursday criticizing the President and the Central Intelligence Agency for actions that produced the Iran-contra affair.

Baker News Conference

Mr. Tower, reached this afternoon, declined to say whether he had been offered the intelligence post. Mr. Scowcroft, national security adviser under President Ford, could not be reached for comment.

Other officials under consideration are Bobby Ray Inman, a former Deputy Director of Central Intelligence, and Lieut. Gen. William E. Odom, the head of the National Security Agency.

The announcement of the withdrawal was made late today at a news conference by Mr. Baker. [Page A1].

At the conference, Mr. Baker read statements from both Mr. Reagan and Mr. Gates. Mr. Baker said names of potential replacements had been discussed and that a new nominee was "an urgent item on the President's agenda."

Mr. Baker had delayed the announcement throughout the day in an attempt to present a finished package at his first public White House appearance as chief of staff, one official said. But he said no final decision had been reached and Mr. Baker had decided to go ahead and announce Mr. Gates's withdrawal.

While Mr. Reagan technically would have had to decide to withdraw his nominee from Senate confirmation, Mr. Baker, and other officials tried to present the development as Mr. Gates's decision alone. That represented

apparent sensitivity, so that Mr. Reagan, who accepted the resignation of Donald T. Regan as chief of staff on Friday, would not now appear to be making a scapegoat of Mr. Gates, a career intelligence officer.

Mr. Gates said that he had requested a meeting this morning with Mr. Baker and Frank C. Carlucci, the national security adviser, before returning to the White House this afternoon to tell the President that he would withdraw.

The Tower Commission's report said that Mr. Gates had been involved when the Central Intelligence Agency prepared a key 1985 intelligence assessment with the help of the National Security Council's staff. Some members of Congress said the panel's finding suggested that the agency had tailored what was supposed to be an independent intelligence report to meet the needs of White House policy officials.

'A Strong Sentiment'

Mr. Gates made no mention of the criticism in the letter sent to Mr. Reagan, in which he requested that his nomination be withdrawn, although he acknowledged that it posed difficulties in his Senate confirmation.

"It is apparent that there is a strong sentiment in the Senate to await completion, at a minimum, of the work of the Senate Select Committee on Iran before acting on my nomination," he said. "I believe a prolonged period of uncertainty would be harmful to the Central Intelligence Agency; the intelligence community and potentially to our national security."

Mr. Reagan said in a companion statement that he accepted Mr. Gates's request with "deep regret" and that he

asked the career intelligence officer to remain on as Deputy Director.

"At any other time, I am certain that he would easily have been confirmed without delay," the statement said. "It is clear that at this point, a confirmation proceeding would not be in the interest of the C.I.A. or the nation."

'Victim of Circumstances'

Kathy Pherson, a C.I.A. spokeswoman, said Mr. Gates had not been asked to withdraw his nomination and that the President "never wavered in his support."

"Mr. Gates considers it imperative that the nation get on with its business," she said. "He believes that would not have been possible while the nomination was pending."

But Mr. Laxalt, in an interview today, suggested that Mr. Gates had little choice but to resign, saying that he had "become a victim of circumstances."

Mr. Reagan's decision to accept Mr. Gates's request also represented one of the few times that he has decided to forego a Congressional showdown over a confirmation, even when the odds of Senate rejection appeared certain. He stood solidly, for example, behind the controversial nominations of Attorney General Edwin Meese 3d and more recently behind Daniel Manion, a nominee for a Federal Appeals Court seat.

Mr. Gates's decision was similar to that of Theodore C. Sorenson to bow out of consideration for C.I.A. Director when he was nominated by President-elect Jimmy Carter in 1977. At that time, some members on the Senate select committee on intelligence had opposed his nomination when questions emerged about an affidavit he gave four and half years ago in behalf of Daniel Ellsberg and Anthony J. Russo

Continued



The New York Times

Robert M. Gates during confirmation hearings last month.

Jr., in their trial in connection with the unauthorized disclosure of the Pentagon papers, dealing with United States involvement in Vietnam.

Administration officials said Mr. Tower had told a friend on Sunday that he would rather be Secretary of Defense or State.

"But if the President asked he said he would take it," the friend quoted him as saying.

Reached today, Mr. Tower had no

comment, although he said he had not been approached by the President for the C.I.A. post.

Mr. Scowcroft was in London and could not be reached, but a senior White House official said he did not believe the former national security adviser had been reached. Another official cautioned that the likely choice might not be Mr. Tower or Mr. Scowcroft, but possibly one of the other three, who have had less of a public profile in recent weeks.

Mr. Inman, when reached by telephone, strongly declared that he was not interested in the top C.I.A. position. "There is no set of circumstances under which I would accept the job," he said. "Gates was exactly right."

Other Candidates

Mr. Reagan had stressed that Mr. Gates was a career officer, when he named him on Feb. 2 to replace William J. Casey, who resigned last month after the removal of a cancerous brain tumor. Mr. Casey was released from Georgetown University Hospital on Saturday. Mr. Gates would have been the first career officer to head the agency since William E. Colby left as Director in 1976.

Other candidates mentioned were John W. Vessey Jr., the former Chairman of the Joint Chief of Staff, and William E. Simon, a former Treasury Secretary.

Members of the Senate Intelligence Committee praised Mr. Gates's decision, saying it would spare the country a confirmation battle:

Mr. Gates, in a letter to Mr. Boren today, challenged the finding of the Tower Commission: "The independence and integrity of the intelligence process were preserved throughout."